# HUB Reporting 101

## Statewide Historically Underutilized Business Program

Statewide Procurement Division

Texas Comptroller of Public Accounts

# Presenters

Maya Ingram
Manager, Statewide HUB Program

Erin Bennett
Team Lead, Data Analytics Team

# The Statewide Historically Underutilized Business Program

Texas Government Code §2161 authorizes the Comptroller of Public Accounts (CPA) to establish and administer the Statewide Historically Underutilized Business (HUB) program.

Texas Administrative Code, Title 34, Chapter 20, Subchapter D, Division 1, Sections §20.281 to §20.298 (34 TAC 20) provide the rules for administering the program.

# Texas Administrative Codes

## 34 TAC 20.281 Policy and Purpose

Directs the comptroller to encourage the use of HUBs by agencies and universities in their procurement needs and assists them in the implementation of this policy through race, ethnic, and gender-neutral means.

To remedy disparity in state procurement and contracting, the most recent **Disparity Study of 2009**, specifies the statewide HUB goals.

## Texas Govt Code 2161.181
## Goals for Purchases of Goods and Services

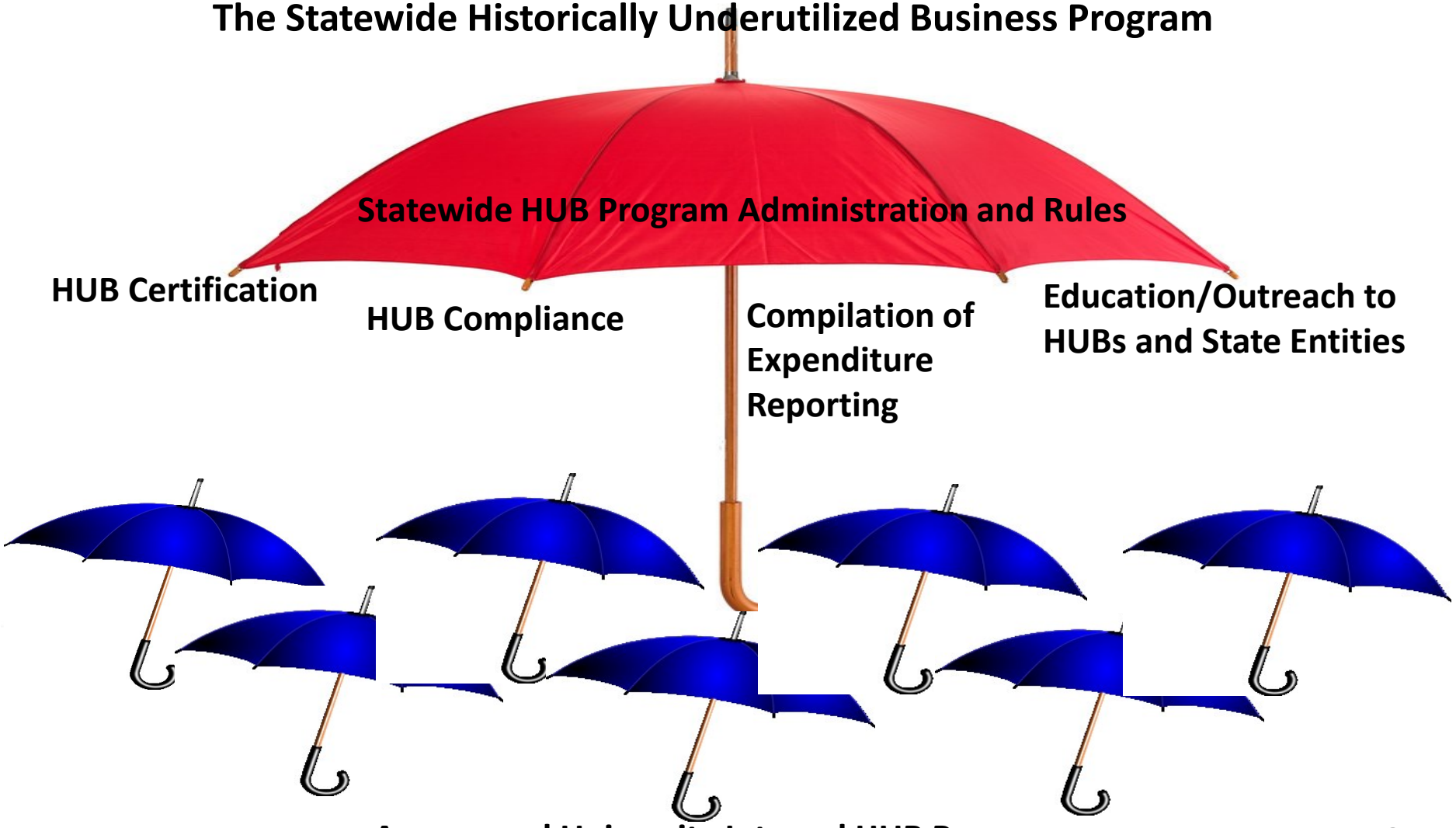
- **11.2% Heavy Construction**, other them building contracts
- **21.1% Building Construction**, including general and operative builders' contracts;
- **32.9% Special Trade** Construction Contracts
- **23.7% Professional Services** contracts
- **26.0% Other Services** contracts
- **21.1% Commodities** contracts

## Texas Government Code 2161.062(e)
## 34 TAC 20.296

A state agency or institution of higher education with a biennial budget of at least $10 million, SHALL designate at least 1 FTE as the **HUB Coordinator** to:

- Coordinate training programs for recruitment and retention of HUBs
- Report required expenditure information

# The Statewide Historically Underutilized Business Program



# "What goes into the HUB report?"

- Treasury and Non-Treasury Expenditures **Paid** by the object codes (COBJ's) listed in "Attachment A".
- CPA uses the PCC codes to identify the type of purchases and allocates expenditures to the proper reports (i.e., Term Contracts)
- Term Contracts above are recorded in the agency's detail report, but then subtracted from the agency's report base.
- Note TXMAS contracts and DIR Contracts are not subtracted, and agencies must report any HUB Sub payments made through these contracts.

# Exclusions to the HUB Report

- All expenditures NOT included in the “Attachment A” COBJs
- Expenditures made to Other Governmental Entities (Interagency, Interlocal, and Intergovernmental contracts)
  - Governmental Payment Exclusion application allows agencies to remove government Treasury payments from the HUB Report base.
- Payments made to set-aside-programs (WorkQuest, WorkQuest work centers, and TCI) (Note only the VID numbers provided to CPA by WorkQuest are excluded from the report)

# HUB Reporting Timelines

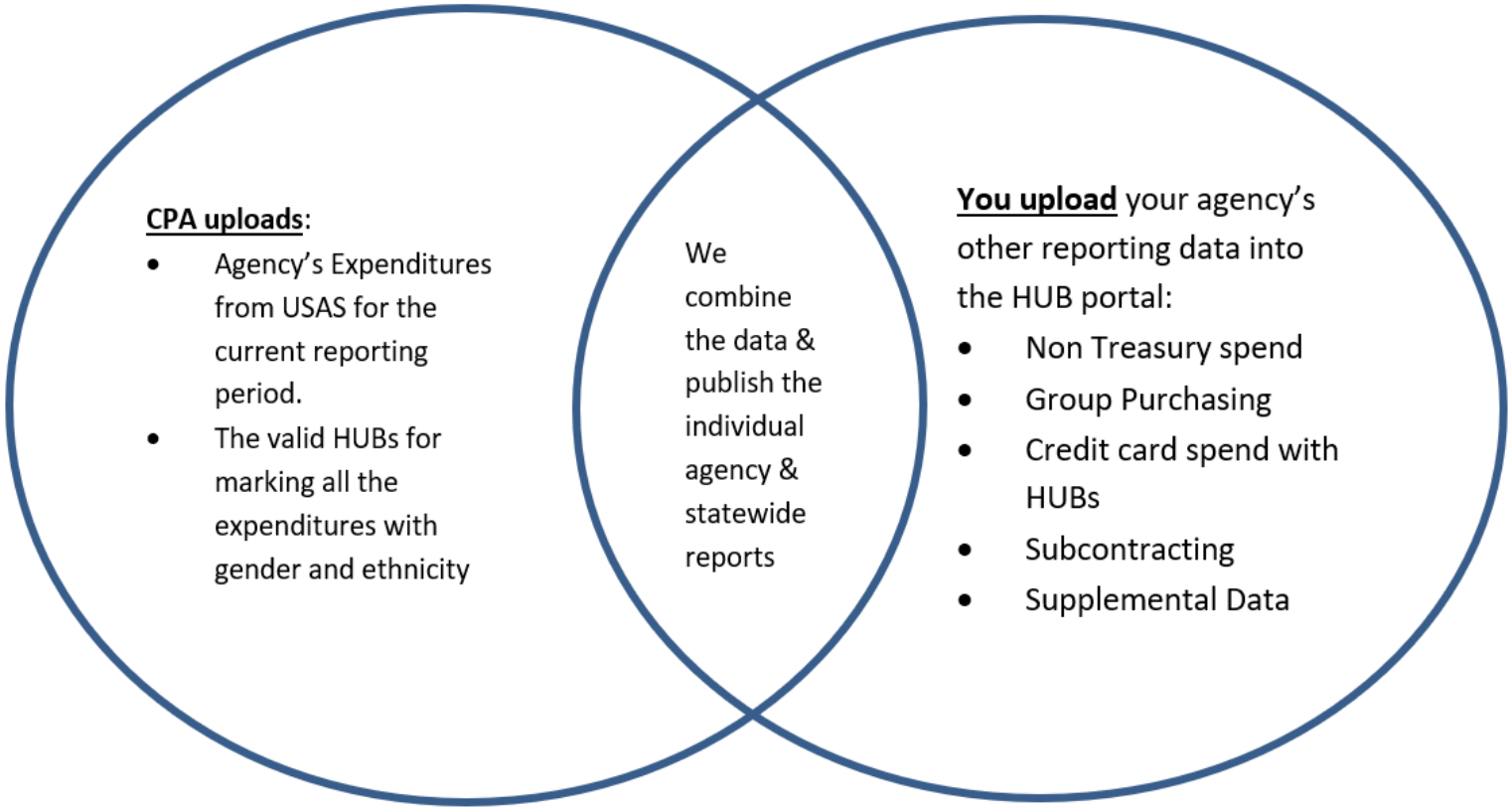
**Reporting Period for the Semi-Annual is Sept. 1st to February 28th**
**Reporting Period for the Annual Report is the Complete Fiscal Year**

- March 1st to 15th and Sept. 1st to 15th - CPA Portal Open for Data submission
- 1st Draft Review Period Opened (6 Days)
  - Agencies review submitted data for accuracy and make corrections if needed
  - Agencies review and identify draft expenditure data for government payment exclusion
  - Supplemental Letter (Optional) is due by April 12th
- 2nd Draft Review Period Opened (3 Days)
  - Final review of draft data for accuracy and make last minute corrections if needed.
- May 15th and Nov. 15th – Final HUB Reports are sent to Legislative Offices then posted on-line

  https://comptroller.texas.gov/purchasing/vendor/hub/reporting.php

Note: Agencies will be sent a specific timeline and procedures ahead of each reporting period.

# HUB Report Overview




Treasury and Non-Treasury funds are combined to create your agency's total expenditures. Group, credit card, & subcontracting records are submitted so your agency can receive HUB credit for purchasing using these non direct payment methods.

**This information typically comes from your agency's financial and solicitation tracking systems.**

# Agency Provided Data

**Data that your <u>Agency/University provides</u> for the HUB Report**

- Subcontracting payments to HUBs (data collected from Progress Assessment Reports (PARs) submitted to your agency by prime contractors)
- HUB payments made with the agency's Citibank credit card
- Non-Treasury Expenditure Data (i.e. grants)
- Group Purchases Expenditure Data

Supplemental Data

- Number of Bond Issuances
- Number of Bids Sent (Optional)
- Number of Bid/Proposal Responses from HUBs and Non-HUBs
- Number of Awards to both HUBs and Non-HUBs
- Supplemental Letter (Optional)

# Do I have any data to upload?

- Does your agency have HUB subcontracting records to report?
  - ✓ Yes - you need to submit a file containing S records to get HUB credit for those expenditures.
  - ✓ No - you don't need to submit a file with S records.
- Does your agency use Group Purchasing Contracts (typically only used by higher education systems)?
  - ✓ Yes - you need to submit a file containing G records to get HUB credit for those expenditures.
  - ✓ No - you don't need to submit a file with G records.
- Does your agency pay any HUB vendors with your Citibank card for reportable COBJ?
  - ✓ Yes - you need to submit a file containing H records to get HUB credit for those expenditures
  - ✓ No - you don't need to submit a file with H records to submit.
- Do all your agency's payments go through USAS (Treasury payments)?
  - ✓ Yes - you have no expenditures to upload.
  - ✓ No - you will need to upload a file with N records (Non Treasury).
- Does your agency have any Supplemental data to submit?
  - ✓ Yes - you need to complete the Supplemental data form in the HUB reporting portal.
  - ✓ No - then you are done until the draft is posted for you to review.

# Active HUBs

home » purchasing » downloads

Purchasing

## DOWNLOADABLE FILES

Data files from the CMBL/HUB vendor search database and the Agency Address List system are available as downloads below.

For questions on additional content or systematic file transfer options, please contact our Procurement Customer Service staff at 512-463-3034.

Note: For best results downloading and viewing these files, use Internet Explorer.

### Vendor Files (CMBL/HUB)

To search this data, go to CMBL/HUB Search.

- **Active CMBL/HUB Vendors** Master File (dat)
  - File Information & Record Layout (txt)
  - Alternate version of CMBL/HUB Vendors Master File for existing users (dat)
    - File Information & Record Layout (txt)
  - Class Data and VIDs for Active CMBL/HUB Vendors (dat)
    - File Information & Record Layout (txt)
- **HUBs** Active During Current Fiscal Year Master File (dat)
  - File Information & Record Layout (txt)
  - Class Data and VIDs for Active HUBs (dat)
- **All** Active and Inactive CMBL/HUB Vendors (dat)
  - File Information & Record Layout (txt)

### Agency Contact Files

- File Information & Record Layout (txt)

If a HUB vendor is certified 1 day of the current fiscal year, they count as a HUB for the entire Fiscal Year.

A list of the HUBs eligible for the current Fiscal year can be downloaded from this link on the comptroller website.

https://comptroller.texas.gov/purchasing/downloads/

**Note:** After August 31st, the list will contain the eligible HUBS for the new Fiscal Year

# Upload File Format

❖Formatting errors – the data **MUST** be submitted with the exact character length and location for each field.

Good Format

**EXAMPLE**

```
|--5-|-----11-----|----------20----------|-4-|------12------|1|
00999152094010 20BATTERIES  INC          7300-00006320.88G
00999152094010 20BATTERIES  INC          7400-00000340.81G
00999194138183 37BIO-RAD  LABORATORIES731000000093.00G
00999194264046 53GENERAL  MEDICAL CORP730000000684.54G
00999194264046 53MCKESSON  GENERAL MED730000002632.90G
```

Error File

```
00710120026873 53Gessner Engineering 7256000000000000.00S
00710120041559 53Soji Services dba Me7341000000000.00S
00710120053962 26JQ Infrastructure    7256000033500.00S
00710120056350 03Belknap Concrete     7341000000000.00S
```

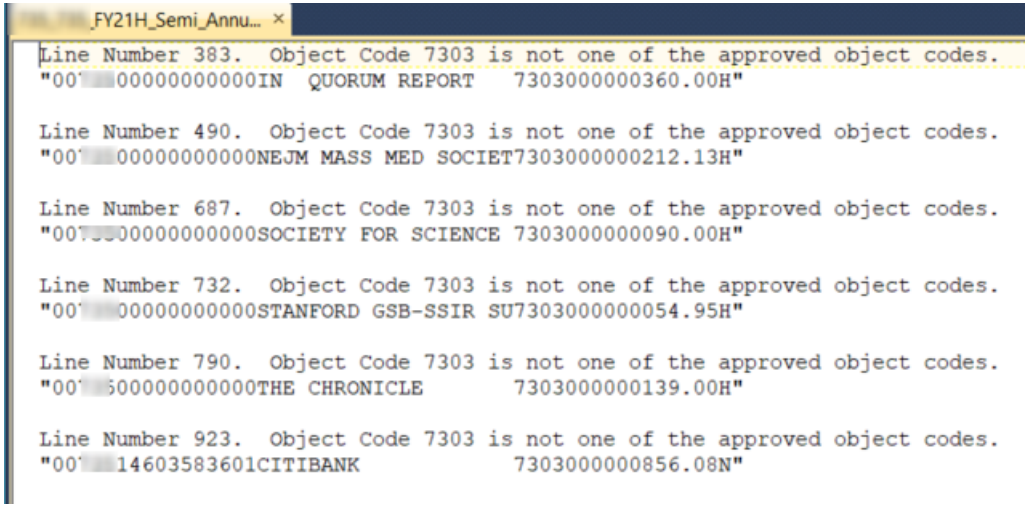
****Pro Tip****Create a separate upload file for each record type (N,H,G,S)****
****Make sure your file names are less than 50 characters in length or you will receive an undefined error when you upload****

The complete instructions on the HUB Reporting Procedures are sent to the state agencies and universities prior to each reporting period by the Statewide HUB Program.

# Errors

**Errors when loading files**

- If you have formatting errors when you try to load a file in the portal, you will receive an email summarizing issues to be fixed before uploading again.



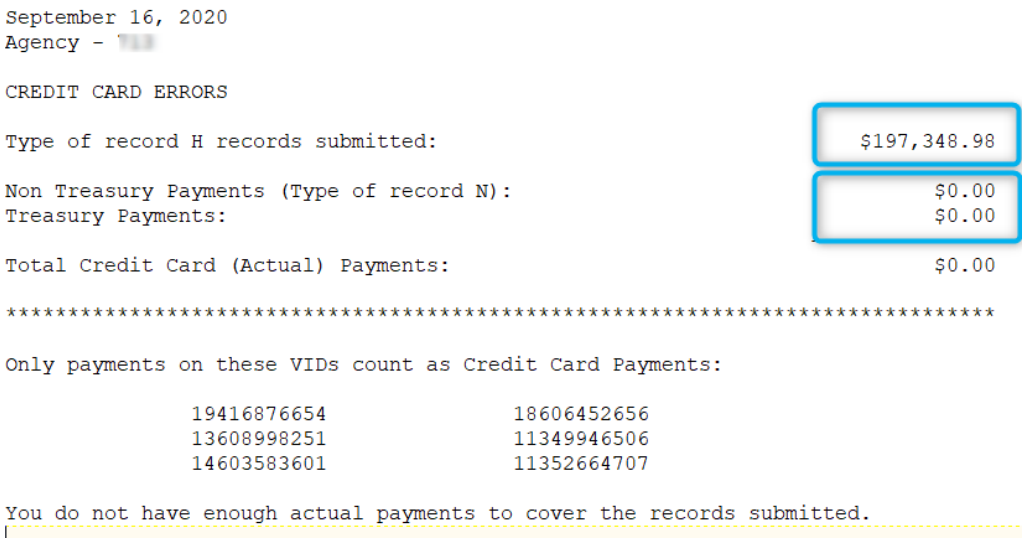
# Errors

## Validation Errors

Once the portal is closed data validation is run and may produce errors. You will receive information in an email about the data that needs to be corrected in your file.

- The agency is reporting $197,348.98 in credit card payments to HUBS, but they don't have any Treasury or Non Treasury payments to the Citibank VID.
  - The wrong Citibank VID (11352664707) or mail code (045) was sent the payment.
  - You may have missing Non Treasury payments
  - You haven't made the payment to Citibank before the Treasury data was cut off the report

**Sample Error**



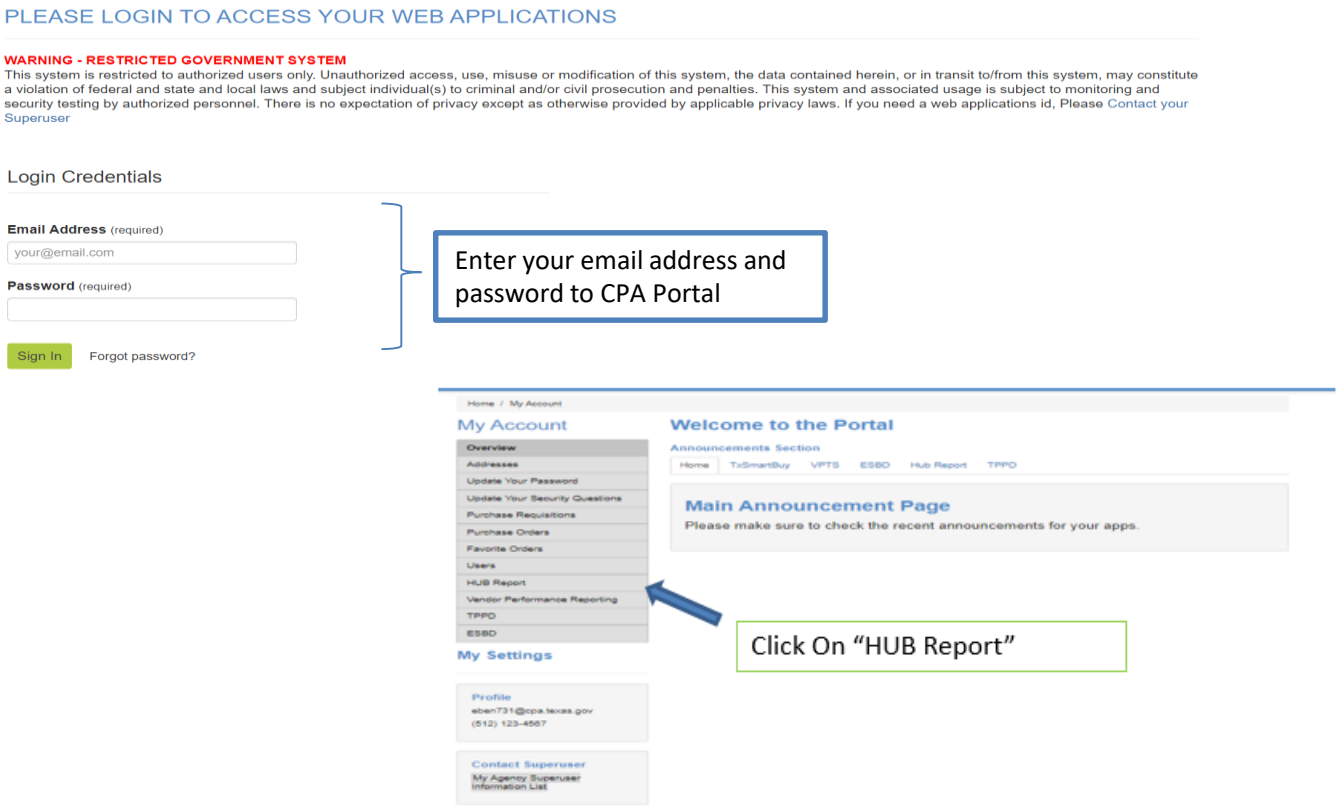
```
September 16, 2020
Agency - [redacted]

CREDIT CARD ERRORS

Type of record H records submitted:                          $197,348.98

Non Treasury Payments (Type of record N):                          $0.00
Treasury Payments:                                                 $0.00

Total Credit Card (Actual) Payments:                               $0.00

**********************************************************************************

Only payments on these VIDs count as Credit Card Payments:

              19416876654              18606452656
              13608998251              11349946506
              14603583601              11352664707

You do not have enough actual payments to cover the records submitted.
```

# Most Common Validation Errors in HUB Reporting

- Reporting more HUB subcontracting payments than the direct expenditures paid to prime (Treasury and Non Treasury under the COBJ)
  - Subcontracting payment(s) coded to a different COBJ from the direct payment(s).
  - Prime contractor's invoice(s) haven't been paid for the subcontracting expenditure that was submitted.
- Reporting more HUB credit card payments than are reflected in your Treasury and Non Treasury credit card payments to Citibank.
- Failure to delete the initial file submitted in the portal, when submitting a corrected data file.

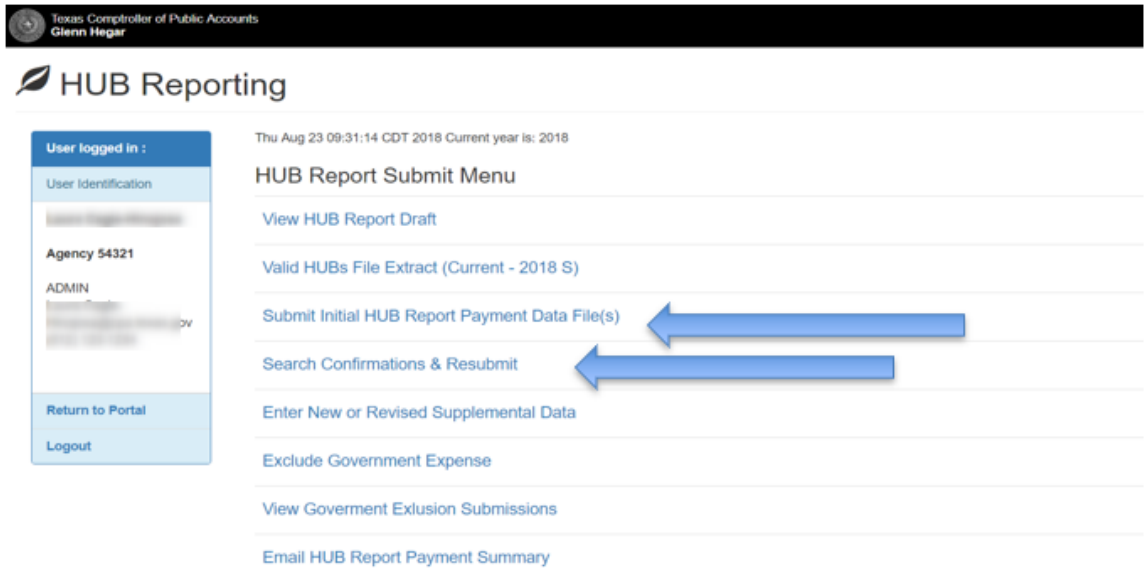
# Logging into the HUB Reporting Portal

## www.txsmartbuy.com



# Load and Manage your Data Files

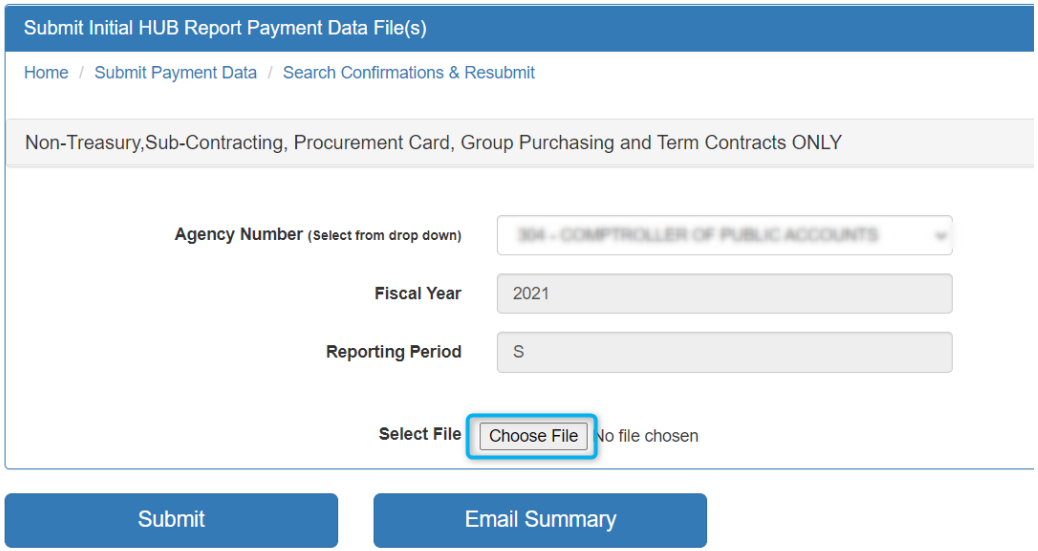
The View When The Reporting Period is Open




Click “Load Initial HUB Report Payment File(s)” or “Search Confirmations & Resubmit”

# Load Initial HUB Report Payment File(s)

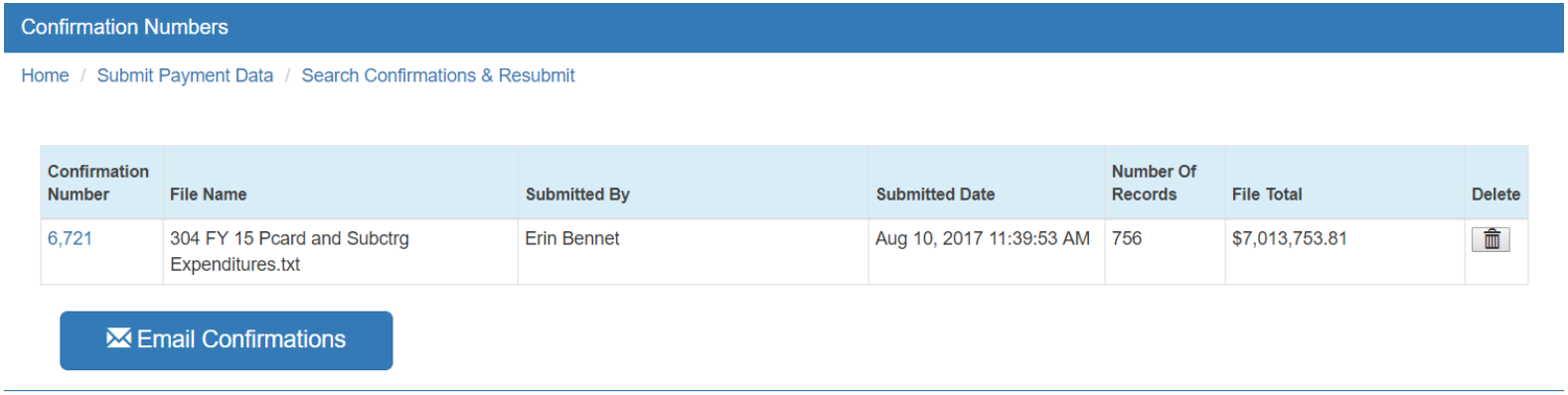
- Choose file and browse to select the file to upload
- Submit
- You will be emailed a confirmation showing what you loaded.
- Email Summary is only needed if you want to send yourself another summary of what you have loaded.



# Search Confirmations & Resubmit

- See all your loaded files and who submitted them
- See and delete duplicate files
- Resubmit or submit additional files

****Pro Tip****When you are done with your initial file uploads and draft reviews, take a screen shot of this page showing what your final loads were in case of questions later in the process.**



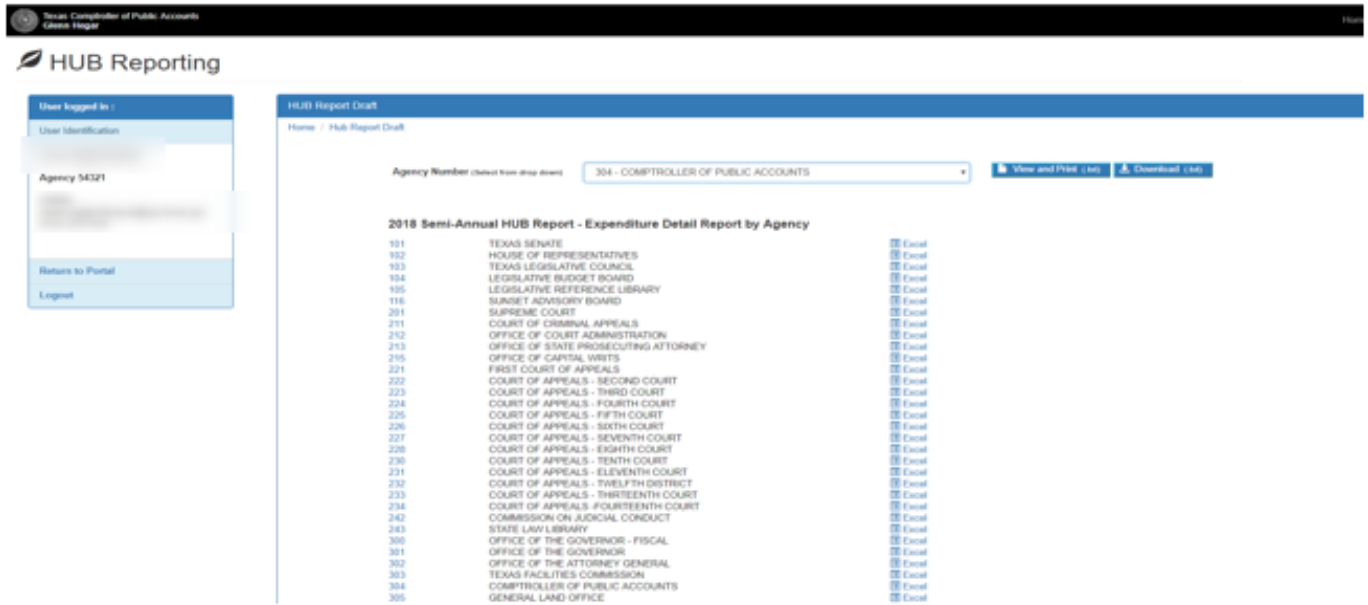
# Draft Period to Review the HUB Report

- Draft periods are determined by CPA are open to all state agencies and universities to review the data for accuracy and to make any corrections to the agency/university's submitted data before the report is published.
- The CPA HUB Portal will only be open to agencies and universities during the initial reporting period and both draft periods.
- Agencies can exclude inter government payments during the draft periods
- <u>After the second draft review period is closed, no changes can be made to your data.</u>
- Please note, no corrections may be made to treasury data after August 31st of the current fiscal year. These corrections MUST be made by the agency/university's financial office.

# Identifying Government Expenses During the Draft Periods

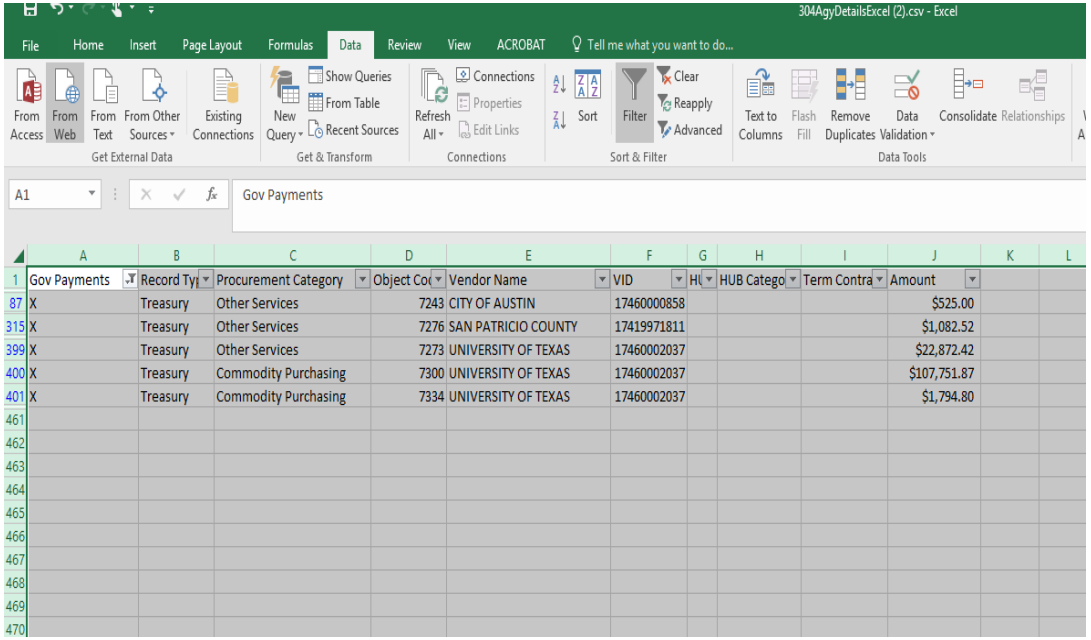
To generate a list of your expenditures to help you identify your government exclusions:

- Go to View HUB Draft
- Details by Agency




- Select the “Excel” icon next to your agency’s name to download a file of your expenditures.

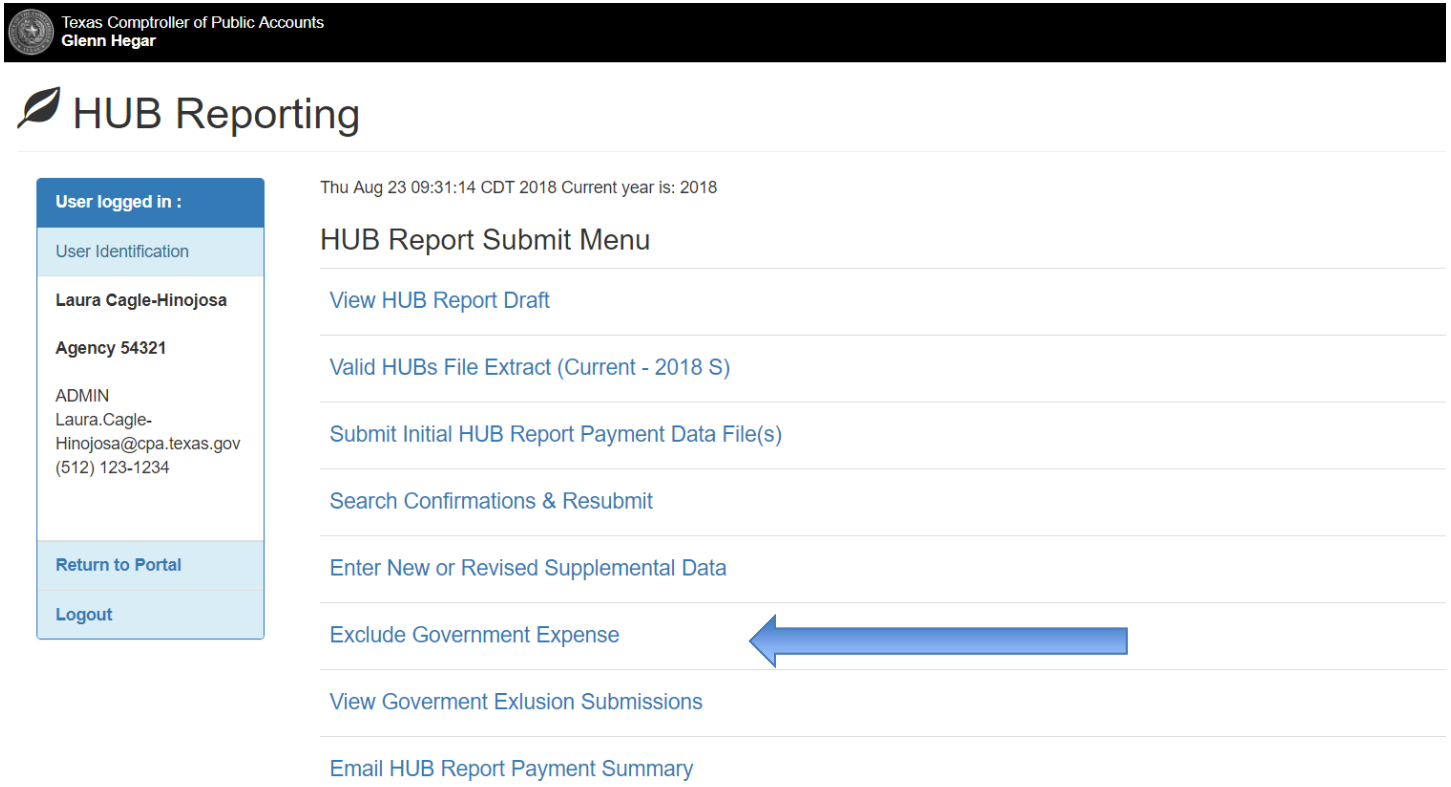
# Identifying Government Expenses




| | A | B | C | D | E | F | G | H | I | J | K | L |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Gov Payments | Record Ty | Procurement Category | Object Co | Vendor Name | VID | H | HUB Catego | Term Contra | Amount | | |
| 87 | X | Treasury | Other Services | 7243 | CITY OF AUSTIN | 17460000858 | | | | $525.00 | | |
| 315 | X | Treasury | Other Services | 7276 | SAN PATRICIO COUNTY | 17419971811 | | | | $1,082.52 | | |
| 399 | X | Treasury | Other Services | 7273 | UNIVERSITY OF TEXAS | 17460002037 | | | | $22,872.42 | | |
| 400 | X | Treasury | Commodity Purchasing | 7300 | UNIVERSITY OF TEXAS | 17460002037 | | | | $107,751.87 | | |
| 401 | X | Treasury | Commodity Purchasing | 7334 | UNIVERSITY OF TEXAS | 17460002037 | | | | $1,794.80 | | |
| 461 | | | | | | | | | | | | |
| 462 | | | | | | | | | | | | |
| 463 | | | | | | | | | | | | |
| 464 | | | | | | | | | | | | |
| 465 | | | | | | | | | | | | |
| 466 | | | | | | | | | | | | |
| 467 | | | | | | | | | | | | |
| 468 | | | | | | | | | | | | |
| 469 | | | | | | | | | | | | |
| 470 | | | | | | | | | | | | |

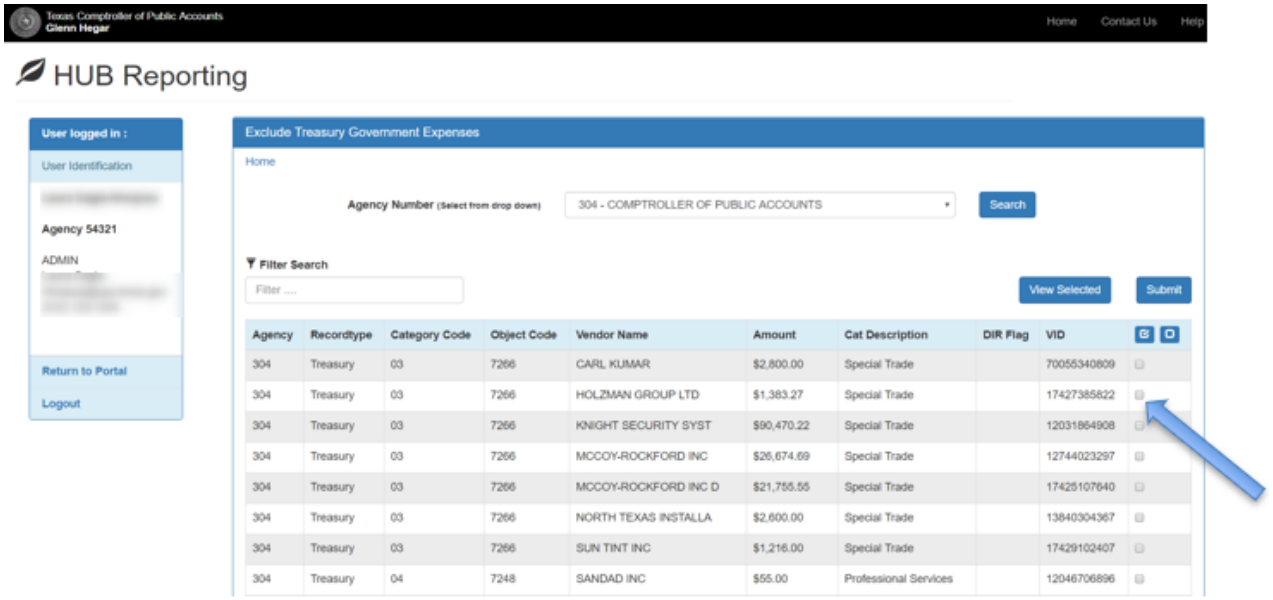
- You can use the spreadsheet as a guide to identify and mark government expenditures in the “Exclude Government Expense” Application

# Excluding Government Treasury Payments



# Exclude Government Expense

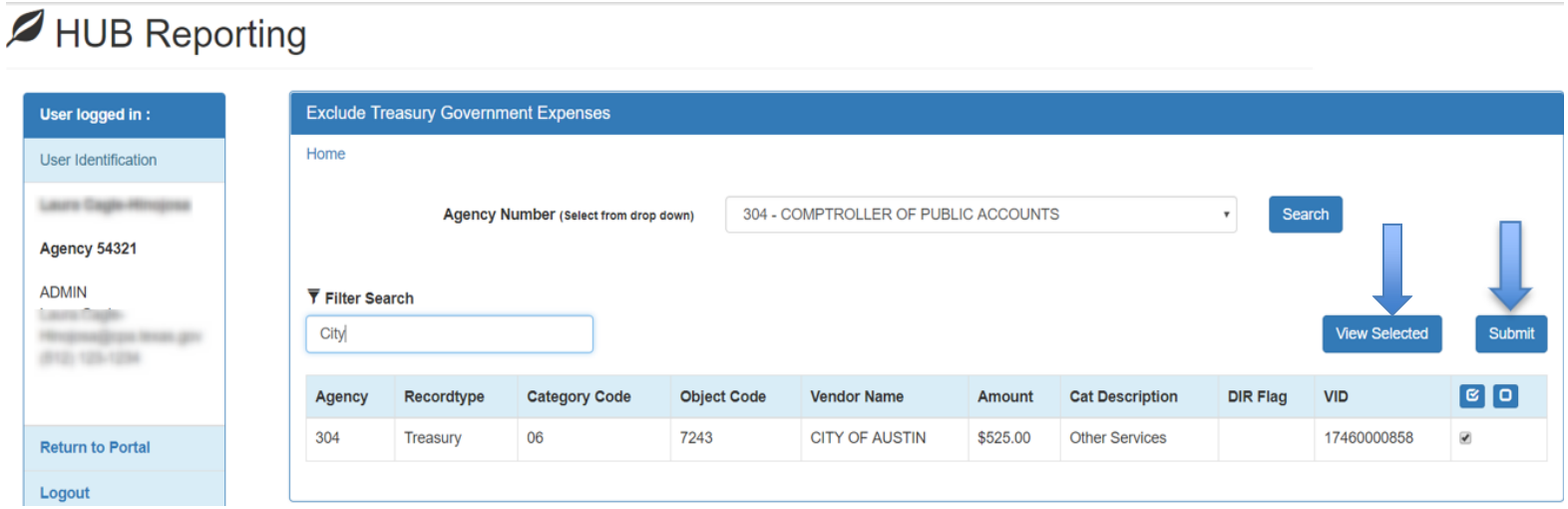
Note only ***Treasury*** payment data records will display in this application




| Agency | Recordtype | Category Code | Object Code | Vendor Name | Amount | Cat Description | DIR Flag | VID |
|---|---|---|---|---|---|---|---|---|
| 304 | Treasury | 03 | 7266 | CARL KUMAR | $2,800.00 | Special Trade | | 70055340809 |
| 304 | Treasury | 03 | 7266 | HOLZMAN GROUP LTD | $1,383.27 | Special Trade | | 17427385822 |
| 304 | Treasury | 03 | 7266 | KNIGHT SECURITY SYST | $90,470.22 | Special Trade | | 12031864908 |
| 304 | Treasury | 03 | 7266 | MCCOY-ROCKFORD INC | $26,674.69 | Special Trade | | 12744023297 |
| 304 | Treasury | 03 | 7266 | MCCOY-ROCKFORD INC D | $21,755.55 | Special Trade | | 17425107640 |
| 304 | Treasury | 03 | 7266 | NORTH TEXAS INSTALLA | $2,600.00 | Special Trade | | 13840304367 |
| 304 | Treasury | 03 | 7266 | SUN TINT INC | $1,216.00 | Special Trade | | 17429102407 |
| 304 | Treasury | 04 | 7248 | SANDAD INC | $55.00 | Professional Services | | 12046706896 |

1. Agency expenditure detail data will display
2. By clicking on the record's box the government payment record will be marked for exclusion.

# Exclude Government Expense




3. To view the government payments tagged for exclusion press “View Selected
4. Once you are finished press “Submit” to submit exclusion data
5. An email will be generated with an Excel file reflecting all of the records that were selected for exclusion/removal

****Pro Tip****If you have a large number of exclusions to make, do them in batches. If you go 15 minutes with out submitting you will lose those unsaved selections.**

# Exclude Government Expense

## Excerpt from Detail

| | | | | |
|---|---|---|---|---|
| ********* OTHER SERVICES : | | | | |
| 7204 | ARCH INSURANCE | | | $423.54 |
| 7204 | ARTHUR J GALLAGHER R | | | $168,391.60 |
| 7204 | COMPSOURCE MUTUAL IN | | | $1,833.00 |
| 7204 | GULF COAST INSURANCE | | | $9,141.00 |
| 7204 | STATE COMPENSATION I | | | $4,587.70 |
| 7204 | THE HARTFORD | | | $4,400.00 |
| 7204 | TRAVELERS CL REMITTA | | | $2,280.96 |
| 7211 | THE PIN DEPOT NETWOR | | | $874.46 |
| 7240 | RSM US LLP | | | $20,625.00 |
| 7240 | TIM S WOOTEN | | | $5,250.00 |
| 7242 | SHI GOVERNMENT SOLUT | HUB AS | | $40,077.50 |
| 7243 | CA INC | | | $39,000.00 |
| 7243 | CARAHSOFT TECHNOLGY | | | $985.00 |
| 7243 | CITY OF AUSTIN | | IG | $525.00 |
| 7243 | CRITICAL START LLC | HUB WO | | $14,700.00 |
| 7243 | HARRELL COMMUNICATIO | | | $1,000.00 |
| 7243 | HUMINTELL LLC | | | $6,600.00 |

HUB Reports will reflect the expenditure records that were excluded from the reports by either IG or I depending on the report

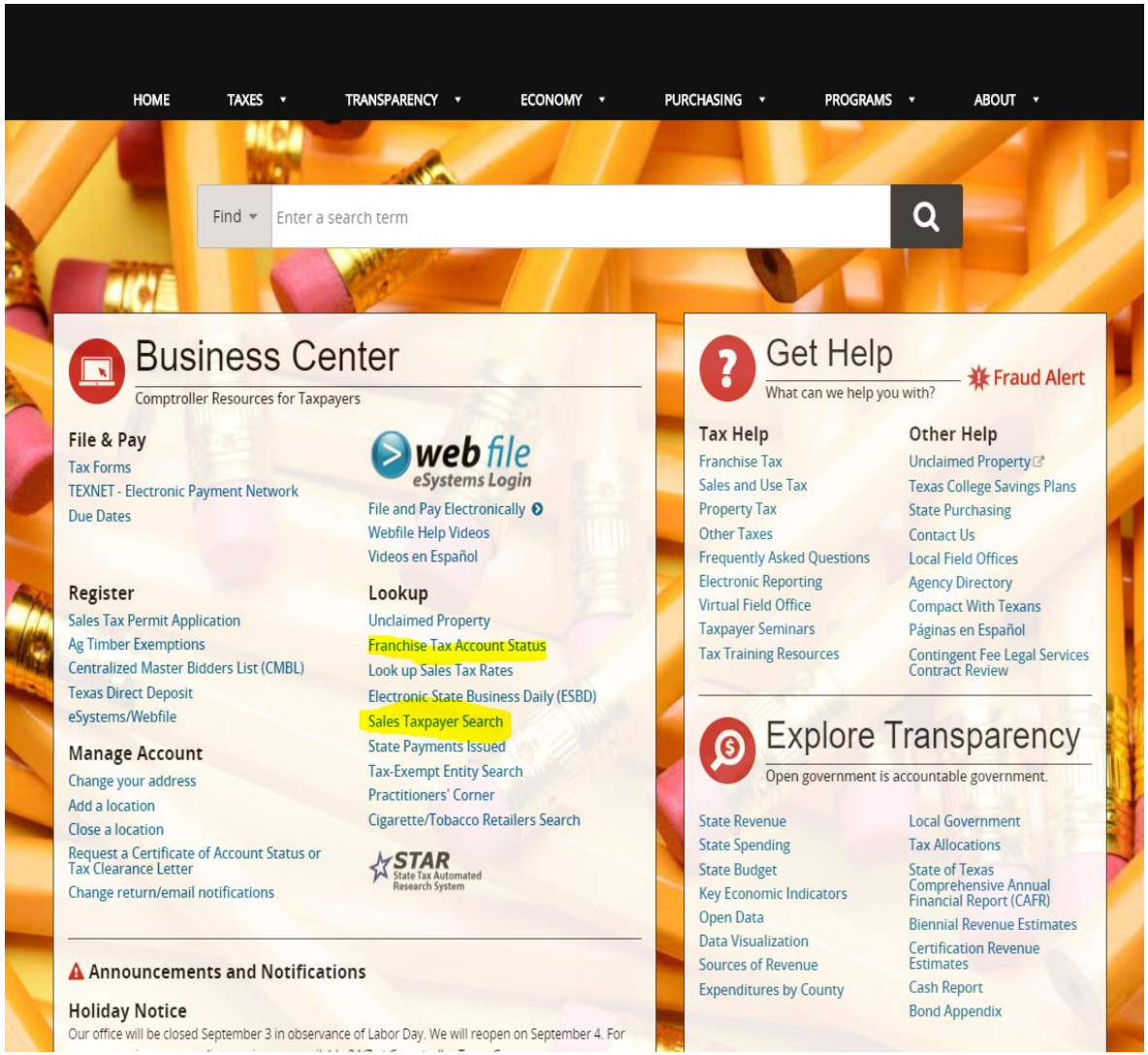
## Excerpt from Section VII

304-COMPTROLLER OF PUBLIC ACCOUNTS-Commodity Purchasing Unadjusted Goal is 21.1%

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| T | $7,102,721 | $768,692/10.82% | $208,571/2.94% | $250,020/3.52% | $164,739/2.32% | $143,650/2.02% | $1,710/0.02% | |
| N | | | | | | | | |
| S | | | | | | | | |
| -TC | $68,246 | $1,483/2.17% | | | $1,483/2.17% | | | |
| -I | $109,546 | | | | | | | |
| | $6,924,928 | $767,209/11.08% | $208,571/3.01% | $250,020/3.61% | $163,256/2.36% | $143,650/2.07% | $1,710/0.02% | |

# Exclude Government Expense

Each agency is accountable for the records they excluded from their HUB report base. Make sure **no other record is excluded other than government expenditures.**




"Franchise Tax Account Status," "Sales Taxpayer Search," can be used to determine if an expenditure belongs to a vendor or a government entity.

# HUB Report Best Practices

- The Comptroller's HUB Expenditure Reports are the official report for each agency's HUB utilization.
- Always use CPA HUB data when preparing reports to the extent possible.
- Always make sure your data is consistent in all of your reporting.
- Supplemental Letter should include variances and special circumstances that are not reflected in your agency's data.

## Required Internal Monthly Evaluations of HUB Participation

### Texas Government Code §2161.122

- **Monthly expenditure information gathering data by division**
  is intended to assist in preparation of the semi and annual reports and allow for HUB planning to increase HUB participation:
  - For internal use only
  - HUB meetings with procurement and other divisions
  - Progress Assessment Reports
  - Group Purchasing with HUBs to Comptroller for semi and annual reporting

## Required Internal Annual Evaluations of HUB Participation

### Texas Government Code 2161.123

- **Strategic Planning**

  requires a written plan to increase HUB usage in contracts and requires:
  - Mission or Policy Statement relating to increasing HUBs
  - Goals to be met by carrying out the policy or mission statement
  - Plans to increase HUB participation (outreach plans)
- **Performance Measures** (Strategic Plan Due Quarterly)
  - Submission is according to agency's policy

### 34 TAC 20.286

- **HUB Plan**

  State agencies to prepare a written HUB Business Plan for the use of HUBs in purchasing, and in public work contracts based on the Strategic Plan with detail information to be included in the LAR.

## Required Annual Evaluations of HUB Participation (cont.)

### Texas Government Code §2161.124

- **Agency Progress Report** is an annual self assessment documenting progress in the HUB Plan to increase HUBs:
  - Due December 31st
  - Statewide HUB provides the form
  - Agencies provide the report to the agency's financial division to submit with nonfinancial data report (complete instructions https://gov.texas.gov/organization/bpp)
  - Agencies and Universities submit their report via email to the Governor, Lt. Governor and Speaker of the House of Representatives' offices

## Required Internal Evaluations of HUB Participation

### Texas Government Code §2161.127

- **Legislative Appropriation Requests (LAR)**
  - Requires LAR include HUB information
  - Should include the past 3-year expenditure analysis including HUB goals.
  - Provide to agency's budget division to incorporate into LAR every other year prior to session

### Texas Government Code §2161.183

- **Estimate of Expected Contracts Awards**
  - Due no later than the 60th day of the new fiscal year
  - Prepare and keep on file

In conclusion, the Comptroller of Public Accounts' Statewide HUB Program will continue its commitment to administer the program based on the legislative requirements and will continue to assist state agencies in education, outreach, and compliance, while encouraging and training the small businesses to extend their ability to competitively bid and increase their award opportunities.

# Need Assistance?

- Link for reporting portal www.txsmartbuy.com
- For program questions contact Maya Ingram (512) 305-9849 Maya.ingram@cpa.texas.gov
- For system issues contact Erin Bennett (512) 463-4840 erin.bennett@cpa.texas.gov